UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

JAMES QUINN, Derivatively on Behalf of Nominal Defendant APPLE REIT TEN, INC., Plaintiff, v. GLADE M. KNIGHT, JUSTIN KNIGHT, KENT W. COLTON, R. GARNETT HALL, JR., DAVID J. ADAMS, ANTHONY F. KEATING III, DAVID BUCKLEY, KRISTIAN GATHRIGHT, DAVID MCKENNEY, BRYAN PEERY, and APPLE HOSPITALITY REIT, INC., Defendants, and APPLE REIT TEN, INC., Nominal Defendant.	Case No. 3:16-cv-00610-JAG

ORDER REGARDING PRELIMINARY APPROVAL AND NOTICE

WHEREAS, as of December 7, 2016, the Parties to the above-captioned shareholder derivative action (the "Action") entered into an Amended Stipulation and Agreement of Compromise, Settlement, and Release (the "Stipulation") which is subject to review under Federal Rule of Civil Procedure 23.1(c) and which, together with the exhibits thereto, sets forth the complete terms and conditions of the proposed settlement of the Action (the "Settlement") and for dismissal of the Action with prejudice upon the terms and conditions set forth therein.

WHEREAS, this Court, having read and considered the Stipulation and the accompanying documents thereto; and all Parties have consented to entry of this Order;

NOW, THEREFORE, IT IS HEREBY ORDERED this 7 day of December, 2016, that:

1. Except for the terms defined herein, the Court adopts and incorporates the definitions in the Stipulation for purposes of this Order;

2. This Court preliminarily approves the proposed Settlement on the terms and conditions set forth in the Stipulation subject to final approval after a fairness hearing is held at which all Apple Ten Shareholders shall have an opportunity to be heard after due notice is provided in accordance with the procedures set forth herein and in the Stipulation;

3. A hearing (the "Settlement Hearing") is hereby scheduled to be held on before the Court on March 15, 2017, at 9:00 a.m., at the United States Courthouse, 701 East Broad Street, Richmond, Virginia 23219, for the United States District Court for the Eastern District of Virginia for the following purposes:

a. To determine whether the proposed Settlement should be approved as fair, reasonable, adequate, and in the best interests of Apple Ten Shareholders;

b. To determine whether the Plan of Distribution should be approved;

c. To determine whether the Final Order and Judgment as provided for under the terms of the Stipulation should be entered, dismissing the remaining shareholder derivative claims filed in the Action with prejudice; and to determine whether releases should be provided to the Released Parties, as defined and set forth in the Stipulation;

d. To consider whether, upon application to the Court, to approve Plaintiff's Counsel's Fee and Expense Application;

e. To consider whether, upon application to the Court, to approve Plaintiff's Case Contribution Award; and

f. To rule upon such other matters as this Court may deem appropriate.

4. This Court reserves the right (a) to approve the Settlement at or after the Settlement Hearing with such modification(s) to the Stipulation as may be consented to by counsel for the parties and without further notice to Apple Ten Shareholders, and (b) to continue or adjourn the Settlement Hearing from time to time, by oral announcement at the hearing or at any adjournment thereof, without further notice to Apple Ten Shareholders;

5. Plaintiff's Counsel is hereby authorized to retain Strategic Claims Services as the Claims Administrator in connection with the Settlement to supervise and administer the notice and distribution procedures as more fully set forth below and in the Stipulation.

6. The Court approves, as to form and content, the Notice (attached to the Stipulation as Exhibit A) and finds that the mailing and distribution of the Notice substantially in the manner and form set forth in this Order and the Stipulation meets the requirements of Federal Rule of Civil Procedure 23.1, due process, and applicable law, is the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all Persons entitled thereto.

7. No later than twenty (20) days after entry of this Order (the "Notice Date"), the Claims Administrator shall cause a copy of the Notice, substantially in the form attached to the Stipulation as Exhibit A to be mailed by first-class mail, postage prepaid, to all Apple Ten Shareholders who may be identified through reasonable effort, including through the cooperation of Defendants and/or its agents to provide stockholder lists as set forth in the Stipulation. The Claims Administrator is authorized to pay the costs of providing Notice from the Escrow Account.

8. The Parties shall execute all of their respective duties and responsibilities under the Settlement to cause the Settlement to be brought before this Court for final approval pursuant to the terms of the Settlement;

9. No later than twenty-one (21) days before the Settlement Hearing, Plaintiff shall serve and file his brief and supporting papers in support of the Settlement, an application for attorneys' fees and expenses, and application for case contribution award for Plaintiff;

10. All objections to the terms of the Settlement by Apple Ten Shareholders shall be filed with the Court and delivered and/or received by Plaintiff's Counsel no later than fourteen (14) days before the Settlement Hearing;

11. Any parties' responses to any objections shall be filed no later than seven (7) days prior to the Settlement Hearing;

12. Any Apple Ten Shareholder may appear at the Settlement Hearing and show cause, if he, she, or it has any reason why the Settlement of the Action embodied in the Stipulation should not be approved as fair, reasonable, and adequate, or why a judgment should or should not be entered hereon, or why the Fee and Expense Application should not be awarded; provided however, that no Apple Ten Shareholder shall be heard or entitled to contest the approval of the proposed Settlement or, if approved, the Final Order and Judgment to be entered hereon, unless that Apple Ten Shareholder has caused to be filed written objections, stating all supporting bases and reasons for the objection; setting forth proof of ownership of Apple Ten stock as of September 1, 2016; clearly identifying any and all witnesses, documents, and other evidence of any kind that are to be presented at the Settlement Hearing in connection with such objections; and setting forth the substance of any testimony to be given by such witness, with:

CLERK OF COURT
United States District Court for the Eastern District of Virginia
701 East Broad Street
Richmond, Virginia 23219

On or before ________________, and has served copies of all such papers at the same time upon the following by fax, by hand, or overnight mail:

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Attorneys for Defendants

13. Any Apple Ten Shareholder wishing to be heard at the Settlement Hearing is required to include a notice of intention to appear at the Settlement Hearing together with their written objection;

14. Any Apple Ten Shareholder who does not make his, her, or its objection in substantially the manner as provided in the preceding paragraphs of this Order shall be deemed

to have waived such objection and shall forever be foreclosed from (i) making any objections to the fairness, adequacy, or reasonableness of the Settlement, or (ii) making any objections to the fairness and reasonableness of the Fee and Expense Application;

15. If the Settlement is terminated pursuant to the terms of the Stipulation then in any such event, the Stipulation, including any amendments thereof, shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her, or its respective position as it existed prior to entry of this Order;

16. All Apple Ten Shareholders shall be bound by the applicable determination and orders, and the Judgment, whether favorable or unfavorable to any of them;

17. All proceedings in the Action, with the exception of proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of this Court. Pending final determination of whether the Settlement should be approved, Plaintiff and all Settlement Members are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any Released Claims, either directly, representatively, derivatively, or in any other capacity, against any Released Persons.

Dated: 12/7/16

/s/
John A. Gibney, Jr.
United States District Judge
John A. Gibney, Jr.,
United States District Judge